

# News Release



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## **U.S. Labor Department Sues Owner of Minnesota Company Over Delinquent Employee Contributions**

**KANSAS CITY**—The U. S. Department of Labor has obtained a consent judgment and order requiring the owner of Ver-Sa-Til Associates Inc. in Chanhassen, Minn., to pay \$6,832 as restitution for failing to forward employee contributions owed to the company's profit sharing plan.

To pay the money owed, Darrell Tamosuinas agreed to the offset of his plan account to restore the plan assets and to allocate the money to the remaining participants covered by the profit sharing plan. The defendant also must terminate the plan and distribute its assets to participants, including making payments to any participant who previous to the judgment received a full distribution from the plan.

"Trustees of a 401(k) plan have a responsibility to ensure that the assets of the plan are used solely to benefit participants. One of the most important responsibilities is putting money from workers' wages into their 401(k) accounts," said Steven Eischen, director of the Employee Benefits Security Administration's (EBSA) Kansas City regional office.

The lawsuit alleges Darrell Tamosuinas violated his duties as a trustee under the Employee Retirement Income Security Act (ERISA). The defendant allegedly failed to cause Ver-Sa-Til to forward to the plan employee contributions from January 1999 to April 2002 and allowed the company to retain the contributions.

Ver-Sa-Til was a machine shop that produced products for the defense industry. The profit sharing plan at one time covered as many as 96 participants and had \$360,783.47 in assets as of January 2004.

Employers with similar problems, who are not yet the subject of an investigation by EBSA, may be eligible to participate in the department's Voluntary Fiduciary Correction Program (VFCP). Participation in the VFCP requires employers to make workers whole but allows them to avoid EBSA enforcement actions and civil penalties as well as any applicable excise taxes. For more information about the VFCP see [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

In fiscal year 2003, EBSA achieved record monetary results of \$1.4 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. This case was investigated by the department's regional EBSA office in Kansas City. Employers and workers can contact the Regional Office at (816) 426-5131 or EBSA's toll free number, **1-866-444-EBSA (3272)**, for help with problems relating to private-sector pension and health plans.

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(Chao v Tamosuinas)  
Civil Action No. 04-1330 RHK/AJB

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